

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**CORRECTED  
FISCAL NOTE**

**HB 1311 - SB 1309**

March 30, 2009

**SUMMARY OF BILL:** Removes authority from the Department of Finance and Administration (F&A) to transfer any Department of Transportation (TDOT) funds, reserve accounts, programs in the Highway Fund, or other specified funds.

**ESTIMATED FISCAL IMPACT:**

On March 12, 2009, we issued a fiscal note for this bill indicating the following estimated fiscal impact:

*Other Fiscal Impact – In future years when shortfalls exist, transfers from other state funds, reserve accounts, or programs would be required for year-end closings in lieu of any transfers that would have otherwise been made from transportation funds, transportation reserves, or the Highway Fund.*

Based on revised information submitted by the Department of Finance and Administration (F&A), the Division of Budget, the fiscal impact of this bill is estimated as follows:

**(CORRECTED)**

**Increase State Revenue – \$1,100,000/Highway Fund**

**Decrease State Revenue – \$1,100,000/General Fund**

**Other Fiscal Impact – In future years when shortfalls exist, transfers from other state funds, reserve accounts, or programs would be required for year-end closings in lieu of any transfers that would have otherwise been made from transportation funds, transportation reserves, or the Highway Fund.**

**Assumptions:**

- This bill will limit the ability of F&A to manage shortfalls in the future. A transfer of \$55,800,000 was made from the Highway Fund for closing out FY05-06; a transfer of \$30,300,000 was made from the Highway Fund for closing out FY06-07.

- The Commissioner of F&A is authorized under current law to transfer funds from the Highway Fund pursuant to Tenn. Code. Ann. § 47-18-1311.
- According to F&A, the Division of Budget, \$1,100,000 will be transferred for FY09-10 from the Highway Fund pursuant to Tenn. Code Ann. § 47-18-1311 (page A-11 of the Governor's FY09-10 Recommended Budget).
- F&A indicates that such transfers are administered on a recurring basis under current law and that this bill would preclude such transfers from occurring in the future. As a result, there would be a recurring increase to the Highway Fund of \$1,100,000 per year and a recurring decrease to the General Fund of \$1,100,000 per year.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/rnc